**Basic Accounting Test**

**Previous lesson:** [The Accounting Equation and Financial Position](http://accounting-basics-for-students.com/the-accounting-equation.html)   
**Next lesson:** [Basic Accounting Transactions](http://www.accounting-basics-for-students.com/basic-accounting-transactions.html)

Here is a free basic accounting test to check your understanding of the section on the basic accounting concepts.

This quiz contains 9 multiple choice questions and should take about 10-15 minutes to complete.

Please note that the solution sheet on the next page only shows the solutions and not whether you got each of the questions right or wrong. So in addition to selecting each of the solutions in the quiz itself, please grab a piece of paper and pen or pencil and take note of each of your answers (number the questions 1-9 and put your answers next to them).

Once you have completed the test and noted down your answers for each one, just click on the "Check Your Answers" button (right at the bottom of this page) and you will go to a new page where you can see detailed solutions and explanations.

Good luck!

Top of Form

|  |
| --- |
|  |
|  |
| Please note that all fields followed by an asterisk must be filled in. |
| **1. Which of the following items would not fall under the definition of an asset?\*** |
| |  |  | | --- | --- | |  | a) Land | |  | b) Machinery | |  | c) Cash | |  | d) Owner’s equity | |  | e) Debtors | |
| **2. Which one of the following items would fall under the definition of a liability?\*** |
| |  |  | | --- | --- | |  | a) Cash | |  | b) Debtors | |  | c) Owner’s equity | |  | d) Tax owed | |  | e) None of the above | |
| **3. Which of the following statements are *false*?\*** |
| |  |  | | --- | --- | |  | a) A liability is a debt for your business. | |  | b) Debtors are a debt for your business. | |  | c) The accounting equation shows how much of your assets belong to the owner, and how much ‘belong’ to people outside the business. | |  | d) If you cannot work out a value for an item that will bring you future benefits, then you cannot keep this as an asset in your records. | |  | e) None of the above | |
| **4. A business has the following items in it: - Land $1,000,000 - Machinery $20,000 - Cash $10,000 - Debt $0 - Owner’s equity ?  What is the value of the owner’s equity?\*** |
| |  |  | | --- | --- | |  | a) $1,000,000 | |  | b) $1,020,000 | |  | c) $1,010,000 | |  | d) $1,030,000 | |  | e) None of the above. | |
| **5. A business has the following items in it: - Land $1,000,000 - Machinery $20,000 - Cash $10,000 - Loan $500,000 - Owner’s equity ?  What is the value of the owner’s equity?\*** |
| |  |  | | --- | --- | |  | a) $500,000 | |  | b) $1,000,000 | |  | c) $530,000 | |  | d) $1,030,000 | |  | e) None of the above. | |
| **6. A business has the following items in it: - Owners equity $600,000 - Total liabilities $1,400,000 - Assets ?  What is the value of the assets in this business?\*** |
| |  |  | | --- | --- | |  | a) $600,000 | |  | b) $800,000 | |  | c) $1,400,000 | |  | d) $2,000,000 | |  | e) None of the above. | |
| **7. A business has the following items in it: - Land $1,500,000 - Machinery $80,000 - Cash $20,000 - Owners equity $900,000 - Loan $500,000 - Creditors ?  What is the value of the creditors?\*** |
| |  |  | | --- | --- | |  | a) $200,000 | |  | b) $700,000 | |  | c) $800,000 | |  | d) $1,100,000 | |  | e) None of the above. | |
| **8. A business has the following items in it: - Land ? - Vehicles $600,000 - Debtors $120,000 - Cash $30,000 - Owners equity $1,000,000 - Loan $500,000 - Creditors $50,000  What is the value of the land?\*** |
| |  |  | | --- | --- | |  | a) $1,000,000 | |  | b) $1,550,000 | |  | c) $800,000 | |  | d) $750,000 | |  | e) None of the above. | |
| **9. Which of the following statements are true?\*** |
| |  |  | | --- | --- | |  | a) A business whose liabilities are greater than its assets has a bad financial position. | |  | b) A business whose liabilities are greater than its owner’s equity has a bad financial position. | |  | c) A business whose assets are greater than its owner’s equity has a bad financial position. | |  | d) a) and b) | |  | e) All the above | |
| **First Name\*** |
|  |
| **E-Mail Address\*** |
|  |
| **Country\*** |
|  |
| Please enter the word that you see below.  [http://www.accounting-basics-for-students.com/cgi-bin/CAPTCHA/Image.pl?domain=accounting-basics-for-students.com&name=2209710642925805](http://www.accounting-basics-for-students.com/basic-accounting-test.html#SOUND) |
|  |

Bottom of Form

(Remember to write down all your answers before you click the "Check your answers" button just above)

Good luck!

[Return from **Basic Accounting Test** to **Basic Concepts**](http://www.accounting-basics-for-students.com/basic-accounting-concepts.html)   
  
[Return to the **Home Page**](http://www.accounting-basics-for-students.com/)

**Previous lesson:** [The Accounting Equation and Financial Position](http://accounting-basics-for-students.com/the-accounting-equation.html)   
**Next lesson:** [Basic Accounting Transactions](http://www.accounting-basics-for-students.com/basic-accounting-transactions.html)

**New! Comments**

Have your say about what you just read! Leave me a comment in the box below.

|  |  |  |
| --- | --- | --- |
| **Share this page:**  [What's This?](http://www.accounting-basics-for-students.com/basic-accounting-test.html) | [Facebook](http://www.accounting-basics-for-students.com/basic-accounting-test.html#share_on_Facebook) | [Twitter](http://www.accounting-basics-for-students.com/basic-accounting-test.html#share_on_Twitter) |
|  |  |  |
| [Like this page? Please pay it forward. Here's how...](http://www.accounting-basics-for-students.com/basic-accounting-test.html#pay_it_forward) | | |

[**Advertise on Accounting-Basics-for-Students.com**](http://www.accounting-basics-for-students.com/advertise.html)

[© Copyright 2009-2015 Michael Celender. All Rights Reserved. Click here for Privacy Policy.](http://www.accounting-basics-for-students.com/privacy-policy.html)

[**SBI!**](http://www.sitesell.com/Michael222.html690.html)

* [Home](http://www.accounting-basics-for-students.com/)
* [Basic Concepts](http://www.accounting-basics-for-students.com/basic-accounting-concepts.html)
* [Basic Transactions](http://www.accounting-basics-for-students.com/basic-accounting-transactions.html)
* [Double Entry Acc.](http://www.accounting-basics-for-students.com/double-entry-accounting.html)
* [Accounting Cycle](http://www.accounting-basics-for-students.com/accounting-cycle.html)
* [Acc. Reports](http://www.accounting-basics-for-students.com/accounting-reports.html)
* [Inventory](http://www.accounting-basics-for-students.com/what-is-inventory.html)
* [Books](http://www.accounting-basics-for-students.com/basic-accounting-book.html)
* [Dictionary](http://www.accounting-basics-for-students.com/basic-accounting-terms.html)
* [Questions](http://www.accounting-basics-for-students.com/accounting-questions.html)
* [Student Resources](http://www.accounting-basics-for-students.com/student-resources-and-links.html)
* [Your Voice](http://www.accounting-basics-for-students.com/your-voice.html)
* [Free Newsletter](http://www.accounting-basics-for-students.com/free-accounting-newsletter.html)
* [The Basics Blog](http://www.accounting-basics-for-students.com/accounting-basics-blog.html)
* [About the Author](http://www.accounting-basics-for-students.com/about-me.html)
* [Contact Me](http://www.accounting-basics-for-students.com/contact-us.html)

Subscribe To This Site

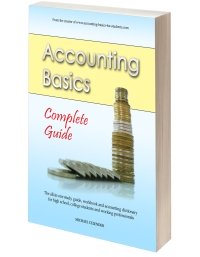
**Search this website:**

Top of Form



Bottom of Form

**All the lessons on this site and much, much more...**

[](http://www.accounting-basics-for-students.com/basic-accounting-book.html)

**Available Now On**

**Get Your Degree!**

Find schools and get information on the program that’s right for you.

Powered by

Subscribe to  
*The Student Accountant*newsletter

Top of Form

|  |
| --- |
| **Enter Your E-mail Address** |
|  |
| **Enter Your First Name (optional)** |
|  |
| **Then**  Don't worry — your e-mail address is totally secure. I promise to use it **only** to send you The Student Accountant. |

Bottom of Form

[](http://www.shareasale.com/r.cfm?b=582459&u=929822&m=52227&urllink=&afftrack=)